# Illinois Department of Public Aid

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**George H. Ryan, Governor**
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1/15/01

# INFORMATIONAL NOTICE

TO:     All Participating Hospitals:  Chief Executive Officers, Chief Financial Officers, and Patient
        Accounts Managers; Renal Dialysis Centers; and Ambulatory Surgical Treatment Centers
        (ASTC)

RE:     CHANGES TO REIMBURSEMENT METHODOLOGIES

The Department is modifying its reimbursement policy for hospital (inpatient and outpatient), renal
dialysis (outpatient, excluding the State Renal Program), and ASTC (outpatient) services billed on the
UB-92 claim form.  The new policy will not apply to hospice providers, government-owned or operated
hospitals and children's hospitals as defined by the Department in 89 Illinois Administrative Code
Section 149.50 (c)(3)(A).

The new reimbursement policy is effective for admissions on or after January 1, 2001, for inpatient
services and dates of service on or after January 1, 2001, for outpatient services.  Outpatient series
claims that span January 1, 2001, must be split if the provider wishes to receive payment under the
previous methodology.  Series claims with an end date on or after January 1, 2001, will be priced under
the new methodology.

The new policy will allow payment at the **lesser** of either the Department's calculated payment, or the
provider's covered charges.  The Department's calculated payment rate excludes the applicable add-ons
for disproportionate share, Medicaid High Volume Adjustment (MHVA), and outlier payments.  There
will be no change in the way that the Department applies third party liability, spenddown, or
copayment.  In addition, Medicare crossover claim pricing, and non-cost reporting hospital claim
pricing will not be affected by the change.

Any questions regarding this notice may be directed to the Bureau of Comprehensive Health Services at
(217) 782-5565.

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